



Healthcare Consumer Market Report



HARNESSING THE ACCELERATION OF CONSUMERISM

As the healthcare industry emerges from the fog of the coronavirus pandemic, trends that challenged providers for years have only intensified or accelerated. Perhaps none more than the rise of consumerism.

Economic pressures and **increasing competition** — among other trends — have changed how healthcare operates and delivers care. Consumers' opinions about their care are stronger than ever, and there's increased influence from payors and employers responding to consumerism trends. Together, these dynamics create pressure for organizations to find **new innovations and digital tools** to meet demands related to **cost, convenience and the overall care experience**.

For those who embrace it, consumerism in healthcare holds tremendous **opportunity for healthcare systems to grow** their businesses while **generating better patient**

care and outcomes. Providers must begin building a 360-degree view of their consumer base to get a clearer, **deeper understanding of the people they serve** and their healthcare choices. What is most important to consumers? What is the experience their consumers value? With this new understanding of their market, organizations can make better, more strategic decisions about how to maximize consumer satisfaction and transform their organizations for the future of healthcare.

To better **understand the drivers of consumers' healthcare choices**, Huron commissioned a research study of 1,601 individuals to assess how healthcare consumption in the U.S. has changed in response to the coronavirus pandemic and recent economic and social disruption. This longitudinal study, completed in February 2021, was benchmarked against Huron's 2019 consumer study to understand what may have changed and remained the same throughout 2020.

Inside This Report:

- ▶ Review of the distinct consumer segments that compose the healthcare market
- ▶ How consumer preferences and priorities have shifted throughout the COVID-19 pandemic
- ▶ Which factors have the most impact on the consumer experience
- ▶ How consumer preferences should influence digital transformation
- ▶ Why the dynamics of healthcare consumer satisfaction and loyalty are creating the right environment for strategic growth



CONSUMERISM AMID A PANDEMIC

During the pandemic, the healthcare industry experienced an unprecedented rate of change. And while providers worked tirelessly to navigate cost reduction strategies, supply chain issues and government stimulus opportunities,

it became clear that focus needed to shift to how consumer attitudes and preferences were changing as well.

Figure 1 shows key areas that remained the same and changed from 2019 to 2021.

Overall, consumers are demanding new ways to access care and seeking ways to take a more proactive approach to their care. While some consumer behaviors changed, there are consistent, key preferences emerging from year to year.

Figure 1: Changed and consistent consumer behaviors from 2019 to 2021

Consumer Behavior and Attitudes

What's Changed

+50%

of respondents consume healthcare differently than a year ago — reflected by over 40% of consumers postponing or canceling care and significantly more consumer interest in virtual care

60%

of consumers participated in a telehealth visit in 2020

72%

of consumers who participated in a telehealth visit are satisfied or very satisfied with their telehealth visits in 2020

60%

of consumers would switch providers for more trust and respect from their provider

+15%

increase in consumers viewing virtual care as their primary care option, and no longer supplemental to in-person visits

+25%

increase in digitally inclined consumers (i.e., consumers seeking out digital tools)

What's Stayed the Same

- Desire across consumer segments for healthcare to resemble a retail environment
- Overwhelming preference for a single point of contact for healthcare information needs
- Recommendations and referrals as the No. 1 reason for provider selection

75%

of consumers say they are satisfied with their care, yet more than half are willing to switch providers

72%

of respondents note that knowing the costs of a healthcare visit or treatment is important to their healthcare decisions

Research results are based on an assessment of 1,500 individuals in 2019 and updated research of 1,601 individuals in February 2021.

IDENTIFYING THE HEALTHCARE CONSUMER

Healthcare organizations can no longer afford to limit their knowledge and understanding of the consumer to financial or clinical information. Shifting to a consumerism mindset is about not only knowing your population by demographic or disease-specific segmentation but by understanding their attitudes, values and preferences toward healthcare.

On the consumer side, people know they want healthcare to more closely mirror their experiences in industries like retail and hospitality. But unlike other industries, healthcare consumers still don't have all the information and tools they need to easily compare features, benefits, costs and the overall value of their healthcare choices.

Huron's research finds that, while consumers may not have perfect vision when it comes to examining their healthcare options, their preferences are coming quickly into focus. Consumers choose and use healthcare

based on a combination of attitudes and preferences related to satisfaction, quality, convenience and personalization. From the research, **five distinct consumer segments** emerge, which can be labeled as **me-focused, results-focused, time- and money-oriented, digitally inclined, and affordable-results-driven**.

Figure 2: Healthcare consumer segments

Healthcare Consumer Segments

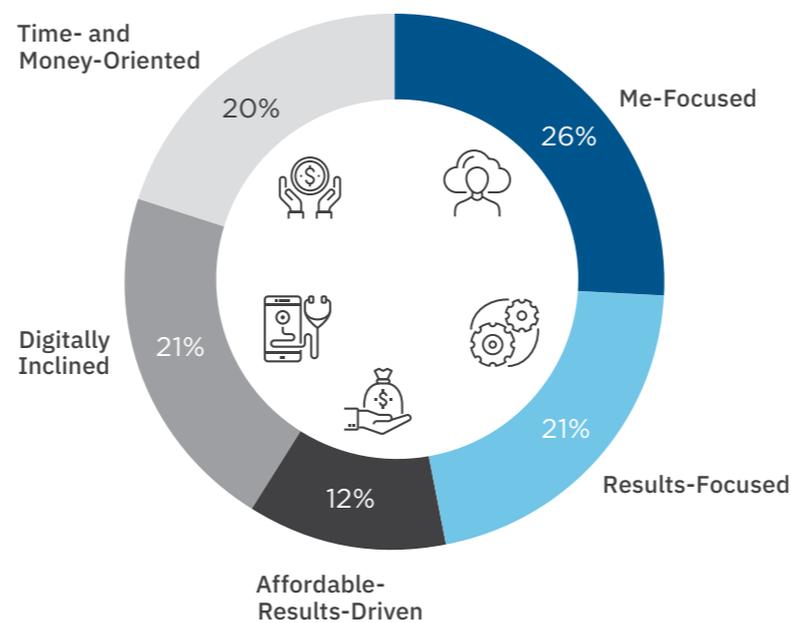


Figure 3: Types of healthcare consumers



Care Preferences Emerge by Segment

A deeper view of the segments provides insight into where consumers want to receive care and why. Segments with the largest percentage of older populations (me-focused and results-focused) prefer the more traditional setting of a physician's office with a lower utilization of urgent care and walk-in clinics. **Me-focused** consumers are also less likely to report a medical condition, which could explain their lower utilization of alternative care settings. This group has high concern for trust, respect and personal attention.

Interestingly, the **results-focused** segment also reports a high usage of urgent care clinics and hospital emergency rooms. Given the segment's low cost-sensitivity and focus on fast and easy care and results, these locations may be viewed as more accurate and reliable than walk-in clinics, home health or other options.

The **affordable-results-driven** segment chooses the physician's office at the same level as me-focused consumers, which is interesting given the segment's focus on



cost and results. Members of this segment may consider traditional care settings the best value for an end-to-end experience and value the trust they have in caregivers in this setting over the convenience of walk-in clinics. Despite strides in telehealth, organizations that offer alternate care settings may have to invest in building more awareness and trust in the value of these services versus traditional care settings.

The **time- and money-oriented** segment has the lowest utilization across all locations, which is most easily attributed to high concern with affordability and the segment's lower income compared with other segments. This group displays the least concern for results.

Growth of the Digitally Inclined

The size of each consumer segment shifted slightly during the pandemic, with the most significant shift from 2019 consumers to 2021 consumers occurring in the **digitally inclined** population cluster. The digitally inclined group represents the youngest of any segment (ages 18-44) – and the fastest growing. From 2019 to 2021, the digitally inclined segment experienced 25% growth. Considering the segment's age and rate of growth, these consumers may provide valuable insights into the future of healthcare.

+25% growth in digitally inclined segment from 2019 to 2021

Given their moderate cost focus, the digitally inclined group may benefit from more education on the cost of care in each setting and access to self-service tools that allow them to compare costs. Identifying the size of an organization's digitally inclined population will be critical for organizations making strategic investments in how and where they deliver care in the next five years and beyond.

Leading With Digital

Digital healthcare, fueled by consumerism, will continue to revolutionize the healthcare industry. Key partnerships are fueling Big Tech's foray into healthcare, with [Amazon Care coming online](#) in 2021, and options such as [at-home lab testing](#) continue to empower consumers to take a more active role in their own health.

Huron research finds that the digitally inclined consumers value online quality ratings, reviews and comparison tools the most, and 52% of consumers overall are interested in mobile apps for healthcare needs such as scheduling appointments, asking questions, finding new physicians and checking results. Additionally, the majority of survey respondents across all demographics report being digitally active and fluent, indicating a readiness for increased digital healthcare.

Digital tools may also give providers an opportunity to help consumers keep their appointments; 43% of respondents and their families chose to postpone or cancel care appointments over the last 12 months. The expansion of digital tools, telehealth and virtual care provides a solution to this common challenge.

The research is clear that consumers are looking for specific digital options that will provide deeper personalization of their care experience and treatment plans.

Wearables, for example, are increasingly a tool that consumers rely on to support their health outcomes. Huron's research finds that 35% of consumers use a wearable device. Of those who use a wearable, 39% report sharing health-related data from their wearable device with providers as part of a treatment plan, up from 31% in 2019. Another 48% of wearable users would be willing to share their data. These tools present a significant opportunity for healthcare organizations to engage consumers.

Building on the convergence of digitalization and personalization depends on an organization's technical preparedness and ability to create a seamless, trustworthy experience. [Privacy and security](#) are key

“The majority of survey respondents across all demographics report being digitally active and fluent, indicating a readiness for increased digital healthcare.”

for consumers; they will need assurances that their health data is kept secure, and organizations will need to be transparent about how that data is being used.

Organizations will have to keep laser-focused on building better data structures, ensuring solid [data governance](#), resolving interoperability issues and shoring up their defenses against the increasing threat of cyberattacks in healthcare.

Momentum is building around the [digital transformation](#) of healthcare. It will be essential to have flexible models that meet consumers where they are in this big, broad and growing digital landscape. Leaders should identify which specific tools will enable a positive consumer experience for each segment because the solution may not be the same for every group.

UNDERSTANDING THE DRIVERS OF HEALTHCARE CONSUMER CHOICE

Huron's consumer research surfaced surprising insights about consumer attitudes related to the care they receive. While 73% of consumers say they are satisfied or very satisfied with their current healthcare provider, more than half say they are ready to make a change if presented with the right driver.

Nearly 60% of respondents say a new provider offering more “trust and respect” would make them likely or very likely to switch from their regular provider. Healthcare consumers value trust and respect from their healthcare provider more so than other factors such as cost, location, wait time and virtual care availability.

73% of consumers say they are satisfied with their care, yet 60% of consumers would switch providers for greater trust and respect.

Another clear winner for consumers is the desire for a “one-stop shop” to aid in their decision making. An overwhelming 74% of consumers want a single point of contact for their healthcare information needs.

Health results are not the most important factor impacting consumer choices, indicating that most consumers don't choose healthcare primarily based on outcomes. From 2019 to 2021, the importance of accurate diagnoses and effective treatment plans fell by 5%. Cost matters less, as only 33% of consumers view affordability as a top factor in creating a satisfying healthcare experience. And, while the importance of fast service increased 5% from 2019 to 2021, it is only considered a top factor in overall experience for 17% of consumers and is not synonymous with convenience.

The matrix of consumer drivers and detractors indicates that an organization's journey to a more consumer-centric model will require both point solutions and a broader transformation of the patient



experience. An outcomes or results approach to addressing consumer preferences must be supplemented with an appropriate emphasis on “soft” factors relating to convenience and personalized attention. Convenience must encompass the end-to-end experience, including techniques to reduce wait times as well as to improve location and affordability. Personalization is a combination of attributes related to trust and respect and not treating consumers “like a number.”

Huron research supports widely reported concerns for how COVID-19 has disproportionality impacted low-income consumers. As the research indicates, healthcare satisfaction rises with income. In total, 87% of respondents with household incomes above \$100,000 report being satisfied or very satisfied with the healthcare they receive compared with 76% of households making \$50,000-\$99,000 and 61% of households making \$0-\$49,000.

Further, 51% of respondents with \$0-\$49,000 in household income report the past 12 months have impacted their healthcare decision making, compared with 44% of those making \$50,000-\$99,000 and 37% of those making \$100,000 or greater. Meanwhile, higher-household-income respondents were more likely to be in the results-focused or me-focused clusters (55%), compared with 47% for those making \$50,000-\$99,000 and 41% for those making \$0-\$49,000.

While income is only one variable when determining consumer populations, this level of understanding is critical for organizations under pressure to close health equity gaps and address [social determinants of health](#) in meaningful ways to improve access.

As organizations invest in moving care outside the hospital and explore alternate sites of care, including virtual primary and specialty care services, it will be imperative for providers to understand where their consumer segments want to receive care.

Regardless of which segment an organization serves or which drivers they seek to satisfy, finding breakthrough efficiencies and transformational cost reductions in core business functions will be critical to funding a consumer-centric future.

Figure 4: Top drivers of healthcare consumers' perception of care

TOP DRIVERS OF HEALTHCARE CONSUMERS' PERCEPTION OF CARE				
	SATISFACTION	QUALITY EXPERIENCE	CONVENIENCE	PERSONALIZATION
1	Accurate diagnosis and treatment	Receiving accurate diagnoses and treatment plans that get results	The process is easier and more transparent (scheduling/billing/test results)	A care provider who listens to what I say
2	Trust and respect from care provider	Care provider who I trust that focuses on my needs and goals	Less wait time	Receiving care and treatment plans customized for my needs
3	Personal attention	Face-to-face interaction	Convenient locations	Time with provider and not feeling rushed when talking to a care provider
4	Affordable cost	Receiving follow-up with appropriate advice and treatment	More affordable	In-person interaction with care provider
5	Convenient location and hours	Feeling like everything that happens before, during and after a visit — from scheduling to registering to billing — is a best-in-class experience	Digital tools (apps, portals, virtual care) to increase efficiency	A best-in-class experience from end to end

Question: Which of the following top two factors/sources are most important to your healthcare experience?

PRIORITIZING CONSUMER ACCESS AND LOYALTY

The industry agrees that the trend of consumerism figures prominently in the future of healthcare. The challenge will be developing and delivering on consumer priorities in organizations where a “consumer first” mindset has not traditionally guided strategy.

Without exception, building a consumer-centric organization is a holistic endeavor, and data and analytics will be critical to understand an organization’s unique consumer base and appeal to their needs and desires. As Huron’s data indicates, much of the transformation centers on consumer preferences for how they engage with health systems and providers.

72% of consumers were satisfied with their telehealth experiences during the pandemic.

Telehealth, Virtual Care and Home Health

Before the pandemic, consumers made clear their demand for greater digital capabilities from providers; during the pandemic, 60% of consumers turned to virtual care, and 72% of them were satisfied or very satisfied with their experiences. Now that consumers know they can still receive high-quality care and positive experiences through virtual-first care delivery, Huron research finds that 15% more consumers in 2021 view telehealth as a primary care option versus 2019.

Virtual care can therefore be a leading option for providers to meet consumers’ primary care needs, especially among younger populations (18-44). And despite faster adoption among younger individuals, Huron’s research indicates that telehealth is received favorably by all age groups.

Following the initial rush to telehealth, leaders now have the opportunity to build intentional, [data-driven strategies for virtual services](#). Determining the right balance of in-person and telehealth or virtual care will require an understanding of an organization’s market and consumers.

+15% increase in consumers viewing virtual care as their primary care option.

Beyond telehealth, consumer interest in home care grew by 6%, likely due to their experiences with alternate care settings during the pandemic. Though typically associated with older adult care, post-surgery recovery and treating chronic illnesses, acute care in the home provides greater convenience and can be a better fit for

many consumers' lifestyles. As consumers continue to heavily influence change, [acute care in the home](#) could be a key consumer-centric mechanism through which healthcare organizations strategically shift care delivery to bring greater value directly to consumers in a quickly transforming healthcare landscape.

Generating Loyalty Amid More Choice

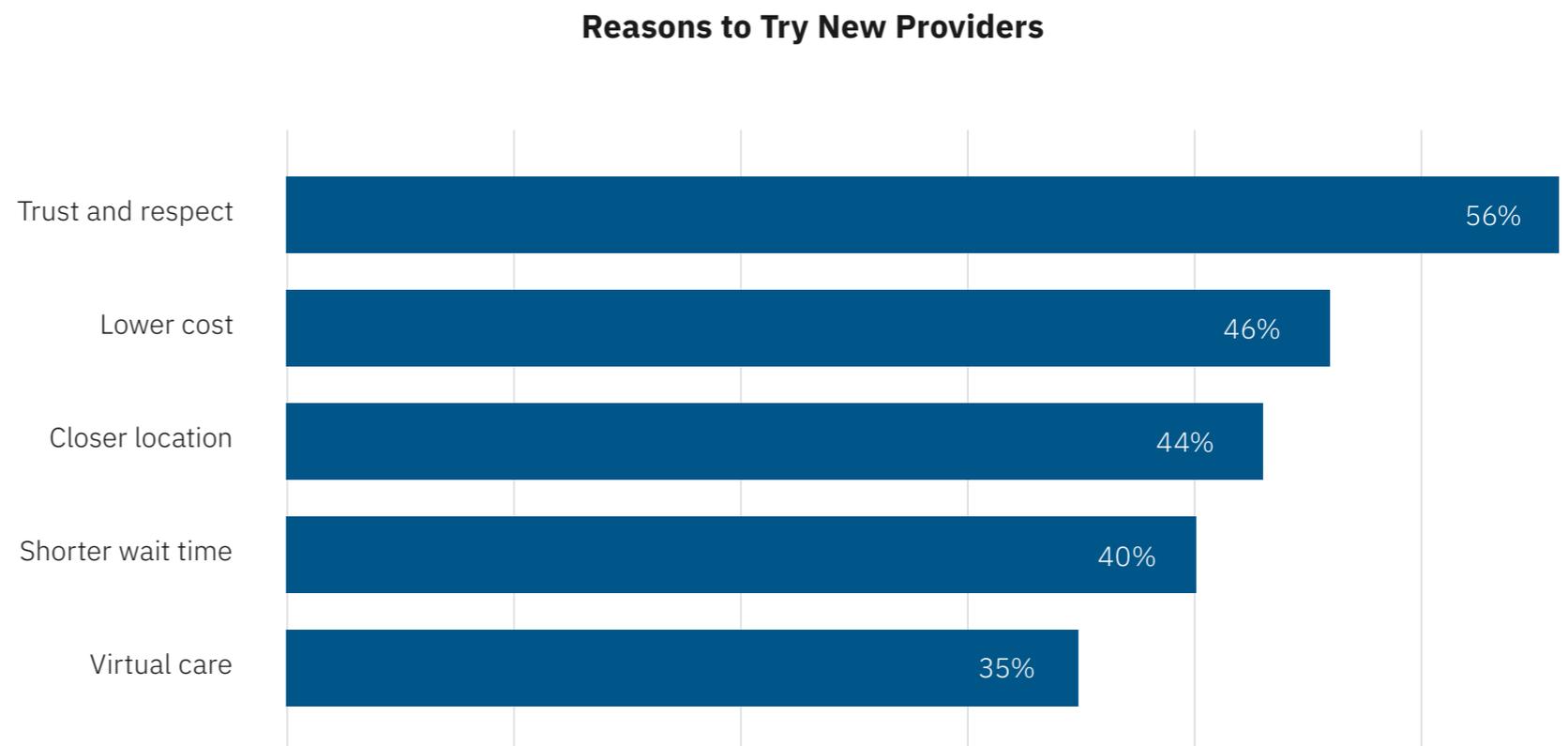
Key research findings provide interesting insight into consumers' attitudes toward their current healthcare providers. While satisfaction is high, loyalty is soft. Nearly 75% of consumers surveyed in 2019 and 2021 report being satisfied with the healthcare they receive. On the other hand, roughly half of consumers indicate openness to trying a new provider.

Again, trust and respect play a major role in loyalty. For both day-to-day care and the treatment of serious medical conditions, consumers are willing to switch providers if a new provider offers them deeper trust and respect. This exceeds other factors such as lower cost, nearer location, shorter wait time, and virtual care.

Recommendations are still the No. 1 way consumers choose providers. In 2021, 60% of consumers report that they will rely on the advice of family, friends, co-workers and other healthcare providers to guide their healthcare decisions. Online referrals play a role as well with nearly one-quarter of people turning to online reviews, ratings and comparison tools to guide their decisions.

Consumers' willingness to switch providers presents a major growth opportunity for organizations who can harness it. Consumers have more choice and are still defining what a great experience should be. This creates ample opportunity for healthcare providers who can identify unmet needs and invest in strategic growth initiatives to maximize consumer satisfaction and help shape the consumer needs of tomorrow.

Figure 5: Reasons to try new providers (updated 2021)



FINAL THOUGHTS AND NEXT STEPS

Healthcare consumers expect the same level of service and personalization from providers that they receive in other industries. In response, healthcare organizations are under pressure to transform their care operations and the consumer experience.

To make that transformation, organizations need to develop a deeper understanding of their consumers. Huron's research finds that distinct consumer segments exist in the market and reveal valuable information about consumers' attitudes and preferences toward healthcare.

Clear similarities emerge across segments. Satisfaction with current healthcare providers remains high, but complacency is waning fast as more than half of respondents are willing to make a change to their current provider. Among the most important consideration for consumers — trust and respect from their

provider. Post-pandemic understanding of and preference for telehealth and virtual care options will continue to accelerate, and consumers report overwhelming satisfaction with their telehealth experiences thus far.

Consumers also show a strong preference for features such as a single point of contact for their health needs. The end-to-end personalized quality care experience that consumers increasingly demand will be enabled by providers' willingness to invest in, integrate and educate consumers about multiple digital solutions.

Differences between segments are tied to consumers' concerns around affordability, quality, convenience and personalization. Those who can leverage their consumer knowledge to build strategies and make smart investments will have an advantage in the market and position themselves for the future of healthcare.

Key Takeaways

Competing amid the acceleration of consumerism in healthcare requires organizations to develop a deeper understanding of consumer behavior and identify what drives consumers' healthcare choices.

Think differently.

Shift the organizational mindset to one that strives to more fully understand consumers, the segments that exist within your market and what drives your consumers' choices.

Plan differently.

Identify the specific consumer segments present in an organization's market. Then design an organizational strategy that prioritizes investments that drive trust, satisfaction, quality of care, convenience and personalization for each group.

Act differently.

Put the consumer at the center of every decision and develop market strategies based on the consumer segments you serve.

Methodology

Research results for this report are based on a U.S.-census-representative sample of more than 1,500 consumers. Online questionnaires from respondents were collected during the months of October and November 2019. A 95% confidence level was achieved for all research. In February 2021, that research was updated to include a survey of 1,601 individuals to assess how healthcare consumption in the U.S. has changed in response to the coronavirus pandemic and recent economic and social disruption.



huronconsultinggroup.com

© 2021 Huron Consulting Group Inc. and affiliates. Huron is a global consultancy and not a CPA firm, and does not provide attest services, audits, or other engagements in accordance with standards established by the AICPA or auditing standards promulgated by the Public Company Accounting Oversight Board (“PCAOB”). Huron is not a law firm; it does not offer, and is not authorized to provide, legal advice or counseling in any jurisdiction. 21-2492